

March 4, 2003

Mr. J. Forbes  
Site Vice-President  
Monticello Nuclear Generating Plant  
Nuclear Management Company, LLC  
2807 West County Road 75  
Monticello, MN 55362-9637

SUBJECT: ANNUAL ASSESSMENT LETTER - MONTICELLO NUCLEAR POWER PLANT  
(REPORT 50-263/03-01)

Dear Mr. Forbes:

On February 12, 2003, the NRC staff completed its End-of-Cycle plant performance assessment of the Monticello Nuclear Power Plant. The End-of-Cycle review for Monticello involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period January 1, 2002, through December 31, 2002. This letter is to inform you of our assessment of your safety performance during this period. In addition, we are providing our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

Overall, the Monticello Nuclear Power Plant operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2004.

The enclosure inspection plan details the inspections scheduled through March 31, 2004. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 6 months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your

compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (630) 829-9757 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Bruce Burgess, Chief  
Reactor Projects Branch 2  
Division of Reactor Projects

Docket No. 50-263  
License No. DPR-22

Enclosure: Monticello Inspection/Activity Plan

See Attached Distribution

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NAME	GWright/co	BBurgess					

DATE	02/ /03	02/ /03		
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**OFFICIAL RECORD COPY**

cc w/encl: J. Purkis, Plant Manager  
R. Anderson, Executive Vice President  
and Chief Nuclear Officer  
Nuclear Asset Manager  
Site Licensing Manager  
Commissioner, Minnesota Department of Health  
J. Silberg, Esquire  
Shaw, Pittman, Potts, and Trowbridge  
R. Nelson, President  
Minnesota Environmental Control Citizens  
Association (MECCA)  
Commissioner, Minnesota Pollution Control Agency  
D. Gruber, Auditor/Treasurer  
Wright County Government Center  
Commissioner, Minnesota Department of Commerce  
P. Marker, Assistant Attorney General  
E. Eichelberg, Chairman, Wright County Board  
The Honorable Bruce Thielen  
A. Engstrom, Chairperson, Sherburne County  
R. Wolfsteller, Administrator, City of Monticello  
INPO

ADAMS Distribution:

WDR

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SXM1

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Project Mgr., NRR

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J. Caldwell, RIII

G. Grant, RIII

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R. Lickus, RIII

SRI Monticello

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**Monticello**  
**Inspection / Activity Plan**  
**03/01/2003 - 03/31/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>MR</b>	<b>- MAINTENANCE RULE</b>	<b>1</b>			
1	IP 711112B	Maintenance Effectiveness		04/14/2003	04/18/2003	Baseline Inspections
	<b>IP 71121</b>	<b>- OUTAGE ALARA INSPECTION</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/28/2003	05/02/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/28/2003	05/02/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/28/2003	05/02/2003	Baseline Inspections
	<b>ISI</b>	<b>- ISI</b>	<b>1</b>			
1	IP 7111108G	Inservice Inspection Activities - BWR		05/19/2003	05/23/2003	Baseline Inspections
	<b>INSP</b>	<b>- REMP INSPECTION</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/16/2003	06/20/2003	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		06/16/2003	06/20/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/16/2003	06/20/2003	Baseline Inspections
	<b>FY 2003</b>	<b>- MONTICELLO INIT PREP 08/2003</b>	<b>2</b>			
1	W90080	OL - INITIAL EXAM - MONTICELLO - AUG/SEP 2003		08/04/2003	08/08/2003	Not Applicable
	<b>FY 2003</b>	<b>- MONTICELLO INIT EXAM 09/2003</b>	<b>2</b>			
1	W90080	OL - INITIAL EXAM - MONTICELLO - AUG/SEP 2003		09/15/2003	09/26/2003	Not Applicable
	<b>TI 148</b>	<b>- TI2515/148 SECURITY ICMS</b>	<b>4</b>			
1	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		10/06/2003	10/10/2003	Safety Issues
	<b>INSP</b>	<b>- ALARA AND ACCESS CONTROL INSPECTION</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/03/2003	11/07/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/03/2003	11/07/2003	Baseline Inspections
	<b>71152B</b>	<b>- BIENNIAL PI&amp;R INSPECTION</b>	<b>2</b>			
1	IP 71152B	Identification and Resolution of Problems		11/03/2003	11/21/2003	Baseline Inspections
	<b>INSP</b>	<b>- BIENNIAL EP EXERCISE</b>	<b>2</b>			
1	IP 7111401	Exercise Evaluation		11/17/2003	11/21/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/17/2003	11/21/2003	Baseline Inspections
	<b>HT SNK B</b>	<b>- HEAT SINK BIENNIAL (DRS)</b>	<b>1</b>			
1	IP 7111107B	Heat Sink Performance		02/23/2004	02/27/2004	Baseline Inspections